

June 23rd Board Agenda Questions

1) Why did the cafeteria fund deficit spend \$270,000?

Response:

In fiscal year 2019-20, the Cafeteria Fund object 8634 Food Service Sales projections were \$650,000, but only \$407,596 resulted. The preceding was due to the COVID-19 situation. Object 4710 Food purchases are anticipated to end the year at almost \$2.3 million. Increased purchases of food were necessary to feed children during the COVID-19 pandemic. As a comparison, fiscal year 2018-19 (full fiscal year of operations), total food purchases were \$2.1 million. The Cafeteria Fund has collected revenues of \$1,919,153 that represent claims through the month of February 2020. Reimbursement for the months of March 2020 through May 2020 are yet to be received. Revenues and expenditures will be adjusted in 2019-20 year as we close out the books to reflect actual dollars.

2) Why is the childcare fund losing \$75,000 in a year?

Response:

In fiscal year 2019-20, the COVID-19 situation impacted attendance of children at Childcare. As a result, lower attendance resulted in decreased revenues. 2019-20 projected revenues were \$1,021,202, but year to date only \$865,330 in actual revenue has been collected. Once year end is closed, this will be "trued up" to determine the actual revenue.

3) If no cuts are made for this year and we adopt tonight's budget as presented, we will deficit spend over \$14 million in a two-year period. If we don't make a minimum of \$5.4 million in cuts to the 2021/2022 budget as outlined in the spreadsheet, will we be bankrupt? In other words, would we have enough money to pay all of our bills in 2021/2022?

Response:

Yes, that is correct. Based on this MYP, if we did not make the \$5.4 million in cuts in 2021/2022, we would be bankrupt. However, the big caveat is what will be in the final enacted state budget that is slated to be approved by June 30. We have just heard that an agreement has been reached between the Governor and the Legislature that is very different from the May Revision and will substantially change our MYP.

4) Rather than spending \$100,000 on more chrome books, can't we wait to see if we actually need them? Is there a possibility that we may not need them?

There is a possibility that the devices will not be needed for distance learning, but they would still be utilized in elementary classrooms that are currently not 1:1. It is difficult to predict if or when a spread will occur in our classrooms forcing us to close. Upon diagnosis, contact tracing conducted by County Public Health will commence. At that time, classrooms, grade levels and/or sites may be directed to close. A decision such as this will require that we are prepared to pivot to distance learning. Chromebooks allow us to utilize the digital platform companions to our adopted curriculum. A distance learning platform fully aligned to paper packets will require a significant budget apportionment to support copies. During the school closures, COVID-19 copy costs totaled over \$30,000.

It was determined that it is in our best interest to utilize these Title 1 funds available (to be expended by June 30, 2020) to supplement our base program. As a reminder, the proposed purchase of Chromebooks will be paid for with Title 1 funds that cannot otherwise be used to offset other funding resources. As you already know, a LEA cannot reduce its own spending for education services, programs, or materials and replace those funds with Federal funds (Title 1), commonly referred to as supplanting. We received four quotes for the purchase of Chromebooks, ranging in cost from \$198.61 to \$268.01 per device. Arey Jones provided the lowest price which includes them inspecting each device prior to delivery to ensure the device is not "dead on arrival" and also to ensure all devices are working properly. They also provide a weekly "milk run" to address any warranty work; therefore they were identified as the preferred vendor for this purchase. We have been working with them since January and are extremely satisfied with their service. Production and availability of devices is limited as districts throughout the state are rushing to procure devices. In planning for the start of the 2020-21 school year, it is advantageous for the district to pursue this purchase now in lieu of delaying it until after the school year begins.

5) What would happen if we didn't buy the technology controllers now? Because of our dire budgetary problems. I am looking for absolute answers and certainties to this question.

Ruckus is our wireless access point system that we have used in Sylvan District for many years. We currently have two controllers that are accessed to manage the multiple access points across the district. One controller is very old and manages five old access points that are not upgradeable. The purchase of five new access points and a year of Ruckus WatchDog support for our newer controller will provide us support for our wireless network and allow us to manage our wireless system using one controller and continue with uninterrupted wireless service. Purchasing these five new access points allows us to remove the old controller and the 5 old access points.

There is no impact to the General Fund, as the cost for this quote will be paid out of funds we have received from selling back old technology.

This quote does not supersede the ERate wireless upgrade project, but this does allow us to have uninterrupted wireless access. Without movement on this quote our wireless system is at risk. If the decision to move forward with the ERate wireless upgrade project is made, the five new access points purchased will be used with the wireless upgrade. After researching with our IT contracted partner, it was determined that this option is the most viable and provides us the

best service for wireless connectivity. Once the quote is approved, our IT contracted partner will submit a ticket with Ruckus. They will work with Ruckus to migrate our access points to the newer controller.

6) As for the sewer bid on Woodrow, with only one bid, how can we be sure that we are getting the best value on this contract.

We have made multiple attempts to get additional bids and reached out to at least 5 companies but due to the nature of the work, with the deep trenching (8-12 feet) needed to get to the point of repair and related additional OSHA requirements, there is very limited interest in performing this work. We do not want to continue to hold this up and would like to be able to move forward to try to get this done over this summer.

7) As for the facilities projects Can we tour the 900K playground fix to determine if we agree that this project is a need.

Yes, we can arrange a tour for the board if they would like. We also have a picture slideshow we can share with the board. This project would be potentially slated for summer of 2021, so we still have time on this. Also, prior to moving forward on this, a contract would be brought to the board for approval.

8) What is the 74K "Excess Insurance Premium"

This is for the insurance coverage above our regular property & liability limits of \$5,000,000 and provides coverage from \$5,000,000 to \$45,000,000. The Board approved this renewal with SAFER on May 12, 2020. SAFER is offered to us as members of NCR, who we have for our regular property & liability coverage.

9) After further reviewing the agenda for tonight's meeting I noticed that there was a difference in the amount of deficit spending between the adopted budget in June 2019 and the actuals shown in the June 2020 budget MYP. When we adopted the budget in June 2019 we adopted a budget with deficit spending in the amount of -3,792,816. Looking at the June 2020 budget MYP the actuals for 2019 showed a deficit spending in the amount of -6,378,911. This is an additional deficit amount of \$-2,586,095. Why did we spend more than the adopted budget?

Several of the primary reasons for our deficit in 2019/2020 are one time in nature. The larger deficit is due primarily to Textbook adoption, technology, and Ustach Modernization. You can see these one time difference when you compare the expenses in the 19/20 and 20/21 columns in the Combined MYP for the following categories :

	19/20	20/21
State Adopted Textbook	\$3,784,355	\$218,000
Capital Outlay (Tech)	\$2,822,497	\$1,078,023
Other Uses (Ustach)	\$882,000	\$0

10) There is a contract on tonight's agenda for the Boys and Girls Club. Did the Boys and Girls Club get paid on last year's contract when the program was suspended because of COVID?

Yes, per the governor's executive order, districts were directed to work with independent contractors to continue paying them and support their efforts to also pay their employees.

11) What date do we anticipate the governor and the legislature to give us a final budget to operate on? I was told in the past that the date may be on or before June 30. Do we still believe that is a realistic date to have a final budget from the state of California?

Saturday, June 27, 2020 is the deadline for Governor Newsome to act on the budget bill approved by the Legislature. We are receiving updates that the Legislature and Governor have agreed on a budget and details are being released as we speak, with more information on the agreement and trailer bills. The Assembly and Senate are both poised to take final action on this Friday, June 26, in time for the Governor to act on them by Saturday, June 27, 2020.

12) What kind of liability issues are we looking at as it relates to reopening schools during this time of COVID? COVID does present its own challenges; however, each and every school district is liable for various reasons that are not always easy to predict.

13) Is \$ used for Capital Outlay (RRM \$) coming out of the General Fund? I can't remember...are we required to put 3% aside for this so that we can't pause these repairs during this budget crisis?

Yes, the contribution that goes into RRM comes from the General Fund and we are required to keep that contribution at 3% of expenses and transfers out. While we can't pause the contribution at this time, we are not required to spend all of this contribution, we can keep these funds in the RRM account. As such, we will be treading cautiously with projects and will be evaluating the need to complete these proposed projects as the year progresses.

14) Sanitation equipment is coming from COVID \$...when I looked at that fund balance it looks like we have \$85,000 to spend...so the \$67,200 would take most of that \$...the rest to be used to purchase sanitizers/masks, etc...?

Yes, that is correct. We have already purchased and have a substantial amount of PPE inventory and more on its way. As part of the budget proposal from the State, we are *anticipating* some additional one time funding to mitigate the COVID impact and requirements. Due to all of the uncertainty, we are waiting to see what the final amount will be before we add this into our budget for next year.